



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

OFFICE OF  
WATER

AUG - 3 2004

**MEMORANDUM**

SUBJECT: Fiscal Year 2004 Wastewater Operator Training Program  
Security Funds Allocation

FROM: *for* *Janet Pawlukiewicz*  
Janet Pawlukiewicz, Acting Director  
Water Security Division

TO: Water Management Division Directors  
Regions I through X

Section 104(g)(1) of the Clean Water Act authorizes the Wastewater Operator Training Program. The Program provides no-cost, on-site guidance on operations and maintenance, financial, and technical assistance, and classroom training activities to municipal wastewater treatment plant operators at facilities that discharge five (5) million gallons per day or less (approximately 14,000 of the 16,000 wastewater treatment plants in the US). There are forty-six 104(g) environmental training centers set up throughout the United States that provide the above-mentioned assistance. A network of operator training personnel, EPA Regional Office Coordinators, and States & State Training Centers work in the field with small communities to help address wastewater security and operational and maintenance issues.

By providing additional funding to these environmental training centers, the Program will also provide direct on-site security assistance and classroom training security activities to operators at small community wastewater treatment facilities in order to help the facility become more secure. The EPA Regional offices will award these wastewater security grants to the 104(g) environmental training centers in accordance with the Agency's Multiple Appropriations Awards Policy (GPI-01-02), approved June 4, 2001; Classification No.: 5730.2. Regions should make individual grant awards to distribute the wastewater security funds. For further information pertaining to this Policy see **Attachment 4**.

This memorandum provides national guidance for wastewater security funds that can be used under Section 104(g)(1) of the Clean Water Act (CWA). A total of \$1 million has been allocated to the Operator Training Program for wastewater security issues this fiscal year. This funding will help to support EPA's strategic plan for small and medium sized facilities by helping to train trainers to assist small and medium wastewater systems on security matters. The funding will be used for the sole purpose of providing on-site training assistance or classroom wastewater security training activities to wastewater utilities on the use of the wastewater security vulnerability assessment tools, emergency response plan development and upgrades, and physical system security enhancements, which may include, but is not limited to **providing assistance** for the following activities:

- Conducting vulnerability assessments (that address the six basic elements of a vulnerability assessment) of wastewater systems with tools and checklists, such as the type that have been developed by the Association of Metropolitan Sewerage Agencies or the National Environmental Training Center for Small Communities;
- Developing and/or updating emergency response and recovery plans;
- Identifying and prioritizing immediate security concerns for their utility;
- Understanding what is likely to constitute an appropriate security program for their situation;
- Build awareness of existing tools and resources;
- Locating appropriate guidance and adapt model procedures for their situation; and
- Build awareness of emerging tools and resources and understand how these might be useful to longer-term security planning and resource allocation.

**Note: Although not required by law to do so, wastewater utilities are encouraged to conduct a vulnerability assessment and develop or upgrade an emergency response plan based on the findings of the vulnerability assessment. No recipient of this funding will conduct a vulnerability assessments or develop/upgrade an emergency response plan, but instead will assist in the vulnerability and emergency response plan process for any wastewater utility in need of assistance.**

In fiscal year 2003, the states of North Dakota and Alaska declined the additional security money provided to their program grantee. We encourage Regions 8 and 10 Operator Training Program coordinators to work with North Dakota and Alaska this year, so that wastewater facilities in those states are provided security assistance. Also, the states of California, Hawaii, Georgia, and Alabama do not have an established Operator Training Program, therefore, wastewater security assistance will be provided to these states' small systems (discharges less than 5 MGD) through alternative means.

The wastewater security funding will be distributed at the same proportion as the allocation provided in the Fiscal Year 2003 Operator Training allocation memorandum. Funds will be transferred through the Integrated Financial Management System under program results code 20103B. As requested by two Regions, we are retaining their allocation in Headquarters and will work individually with each Region to fund individual actions.

**Attachment 1** to this memorandum is this fiscal year's Regional allocation amount. **Attachment 2** serves as guidance for the 104(g) Programs' grants. **Attachment 3** serves as a reporting mechanism for the wastewater security funding.

If you have questions, please do not hesitate to contact Curt Baranowski of my staff at 202-564-0636.

Attachments

c: Regional 104(g) Coordinators  
Debbie Newberry  
Danesha Reid

**Attachment 1**

**ALLOCATION OF FISCAL YEAR 2004  
WASTEWATER SECURITY FUNDS**

<b>Region</b>	<b>Technical Assistance Allocation</b>	<b>Percent of 2003 Allocation</b>	<b>Security Assistance Allocation</b>
I	\$141,000	12%	<i>\$120,000</i>
II	35,000	3	<i>30,000</i>
III	129,000	10	<i>100,000</i>
IV	169,000	14	<i>140,000</i>
V	189,000	16	<i>160,000</i>
VI	135,000	11	<i>110,000</i>
VII	105,000	9	<i>90,000</i>
VIII	131,000	11	<i>110,000</i>
IX	68,000	6	<i>60,000</i>
X	98,000	8	<i>80,000</i>
<b>TOTAL</b>	<b>\$1,200,000</b>	<b>100%</b>	<b>\$1,000,000</b>

## **Attachment 2**

### **FY 2004 National Managing and Reporting Guidance for Wastewater Security Funds**

#### **PRIMARY PURPOSE OF WASTEWATER SECURITY FUNDING**

To increase security among small and medium-sized wastewater systems. Short-term objectives for small and medium systems include incorporating immediate basic security enhancements, improving the capacity for emergency response, and accomplishing vulnerability assessments. Another objective is to implement long-range security measures and institutionalize security-related issues into existing wastewater programs.

This funding will be used for the sole purpose of providing on-site training assistance or classroom wastewater security training activities to wastewater utilities on the use of the wastewater security vulnerability assessment tools, emergency response plan development and upgrades, and physical system security enhancements, which may include, but is not limited to **providing assistance** for the following activities:

- Conducting vulnerability assessments (that address the six basic elements of a vulnerability assessment) of wastewater systems with tools and checklists, such as the type that have been developed by the Association of Metropolitan Sewerage Agencies or the National Environmental Training Center for Small Communities;
- Developing and/or updating emergency response and recovery plans;
- Identifying and prioritizing immediate security concerns for their utility;
- Understanding what is likely to constitute an appropriate security program for their situation;
- Build awareness of existing tools and resources;
- Locating appropriate guidance and adapt model procedures for their situation; and
- Build awareness of emerging tools and resources and understand how these might be useful to longer-term security planning and resource allocation.

**Note: Although not required by law to do so, wastewater utilities are encouraged to conduct a vulnerability assessment and develop or upgrade an emergency response plan based on the findings of the vulnerability assessment. No recipient of this funding will conduct a vulnerability assessments or develop/upgrade an emergency response plan, but instead will assist in the vulnerability and emergency response plan process for any wastewater utility in need of assistance.**

*Furthermore, EPA Regional Program coordinators will work with their grantees to set a target on how many facilities will receive vulnerability assessment assistance / training from each State Program assistance provider. EPA Regions will report this target information to EPA Headquarters as soon as possible.*

### **VULNERABILITY ASSESSMENT BASIC ELEMENTS**

The following are the **common elements of vulnerability assessments**. These elements need to be addressed by a facility when it conducts its vulnerability assessment. These elements are conceptual in nature and not intended to serve as a detailed methodology:

1. Characterization of the wastewater system, including its mission and objectives;
2. Identification and prioritization of adverse consequences to avoid;
3. Determination of critical assets that might be subject to malevolent acts that could result in undesired consequences;
4. Assessment of the likelihood (qualitative probability) of such malevolent acts from adversaries;
5. Evaluation of existing countermeasures; and
6. Analysis of current risk and development of a prioritized plan for risk reduction.

## **SELECTION OF CANDIDATES**

*States should use, but not limit itself to the following criteria when selecting POTW candidates for on site technical assistance:*

- Facility size POTWs with design capacity of 5 MGD or less should be the first to receive consideration for Program assistance over plants that discharge greater than 5 MGD;

*States should consider, but not limit itself to the information from the following sources when selecting candidates:*

- Effluent discharge proximity to drinking water intake;
- Accessibility to pump stations and wastewater and stormwater collection system; and
- Access to strategic buildings (hospitals, government, chemical manufacturers) via collection system.

## **REPORTING**

Regional offices must provide Regional and State specific semiannual reports. Reports shall be submitted on the form provided, see **Attachment 3** to EPA Regions and Headquarters. Reports shall identify the name of the facility, street address, city, state, zip code, E-mail address telephone number, and facsimile number. The Report shall also include a key contact at the facility and the type of security assistance that was provided to the wastewater system. Please do not submit actual vulnerability assessments, or identify any facility vulnerabilities or weaknesses in your report to EPA Regions and Headquarters. The Water Security Division should receive the mid-year and end-year reports (electronically) on or before ***May 30*** and ***November 30*** of each year, respectively.

**Attachment 3**

**Wastewater Security Assessment Tracking Sheet**

Facility Name	
Street Address	
City	
State	
Zip Code	
E-mail Address	
Telephone Number	
Facsimile Number	
Key Contact	
Narrative explaining outcomes of the vulnerability assessment:  <b><i>Note: Please <u>do not</u> identify facility specific vulnerabilities.</i></b>	

## **Attachment 4**

### **MULTIPLE APPROPRIATIONS AWARDS POLICY (GPI-01-02)**

1. **PURPOSE.** The purpose of this policy is to establish guidance for funding grants from multiple appropriations. (The term “grant” is understood to include grants and cooperative agreements.)
2. **APPLICABILITY.** This Policy applies to all new grants and amendments, which provide additional funding (that is, incremental or supplemental increases), awarded on or after June 4, 2001.
3. **BACKGROUND.** In some instances, EPA awards (i.e., obligates) grants using funds from more than one appropriation.<sup>1</sup> The rationale for MA funding of grants is generally that the activities being performed under the grant benefit 2 the purposes of more than one EPA appropriation.

Currently, when grant recipients request payment from EPA for these MA grants, they are not required to “break out” the payment requests into separate components in proportion to the amount they spent for the benefit of each appropriation. Requiring such a break-out may not be feasible because the recipients do not have information that would allow them to know which appropriations are being benefited. As a result, lacking any better information, EPA’s Financial Management Offices (FMOs) have typically used a first-in, first-out (FIFO) charging method (i.e., charging each payment against the first line of accounting in the Agency financial records until that is exhausted and then against the next line, and so forth). As a consequence, at any given time during the life of the grant, disbursements for one activity on a grant might be made against an appropriation that does not cover that activity.

The Office of the Inspector General (OIG) has questioned these grant charging practices. The OIG believes that these practices violate 31 USC 1301, “Purpose Statute” which states that “Appropriations shall be applied only to the objects for which the appropriations were made except as otherwise provided by law.” Those questions were addressed in a legal opinion regarding the “Purpose Statute” from the Office of General Counsel (OGC) dated January 13, 2000, which is the basis for this policy. OGC stated, in summary, that if all of a MA grant’s activities are of a type that is fundable under all of the appropriations funding the grant, EPA may charge the payments on a FIFO basis if adjustments are made before the end of the fiscal year to charge the benefited appropriations (the FIFO/adjust method); alternatively, individual payments may be charged proportionately to the benefited appropriations at the time of each payment based on the best estimate of benefits. If, on the other hand, all appropriations on the MA grants are not legally available for all of the types of activities to be performed, EPA can not use the FIFO/adjust method of charging; it must charge individual payments to the benefited appropriations at the time of each payment or award separate grants.

4. POLICY. It is EPA policy generally to use only one appropriation as the funding source for an assistance project. Where a project's activities benefit more than one appropriation, the Agency should award separate grants for the activities falling within the scope of each appropriation. However, a single, MA grant may be awarded, with adequate justification documented in the grant decision memorandum, and on an exception basis, if all of a project's activities are of a type that is fundable from all of the supporting appropriations. 3 Separate grants must be awarded if all of the supporting appropriations are not legally available for all of the types of activities to be performed. This is because of the procedural difficulties involved in individually charging payments to the benefited appropriations. In awarding and administering separate grants, the Agency will work to minimize application, accounting and reporting burdens on recipients.

As part of the justification for an MA grant, the Project Officer must include in the decision memorandum a description of the methodology for charging payments that reflects the proportional benefit to each appropriation. When developing their allocation methodology, Project Officers must use the guidelines contained in Comptroller Policy Announcement 98-10, "Accounting for Resources under the Government Performance and Results Act," as revised on [INSERT DATE], 2001. Project Officers may contact their Servicing Finance Offices (SFOs), or where necessary, OGC or the appropriate Office of Regional Counsel (ORC), should they need further guidance. (The funding placed on the grant must be consistent with the allocation methodology.)

GMOs will notify the appropriate SFO of the charging methodology by forwarding a copy of the grant award document and the decision memorandum.

#### 5. ROLES AND RESPONSIBILITIES.

Approval Official: The EPA Approval Official will ensure that the decision memorandum includes an adequate justification and an appropriate charging methodology for awarding an MA grant in accordance with this policy.

Financial Management Office (FMO): The appropriate FMO will provide guidance, as necessary, to program offices in determining appropriate charging methodologies.

Grants Management Office (GMO): In conducting administrative reviews of assistance funding packages, the GMO will verify that the decision memorandum includes an adequate justification for awarding an MA grant and also contains a charging methodology in accordance with this policy. The GMO will notify the appropriate FMO of the charging methodology by forwarding a copy of the grant award document and decision memorandum.

Project Officer (PO): When EPA proposes the award of an MA grant, the EPA Project Officer (or whoever prepares the decision memorandum) must provide in the decision memorandum a written justification for such an award and an appropriate charging methodology. The program office may consult with its servicing FMO, or where necessary, OGC or ORC to determine an appropriate charging methodology for each MA grant.

1. An appropriation is budget authority provided by an act of Congress that permits Federal agencies to incur obligations and to make payments out of the Treasury for specified purposes. Examples of appropriations to fund EPA grants are Environmental Programs and Management (EPM); Science and Technology (S&T); and State and Tribal Assistance Grants (STAG).
2. The term benefit, as used in this Policy, refers to carrying out one appropriation rather than another. It is the term used in 31 U.S.C. §1534, which authorizes agencies to charge an appropriation temporarily for costs that benefit another appropriation if adjustments are made by the end of the year. References in this memo to benefiting an appropriation do not mean that costs should serve EPA or Federal Government purposes rather than the purposes of the recipient or the public. Under the Federal Grant and Cooperative Agreement Act, an agency may award a grant rather than a contract only if the principal purpose of the award is a public purpose of support or stimulation and not acquisition for the direct use or benefit of the Government.
3. An example of such a project is one involving a conference that benefits both EPA's Environmental Programs and Management (EPM) appropriation and its Superfund Appropriation. Both appropriations are available to support that type of project. Similarly, a grant for research and training from EPM and Superfund would be one where all the work is of a type fundable from both the supporting appropriations, i.e., both research and training are types of activities that are fundable from EPM and from Superfund. On the other hand, under a grant for research and public education funded from the EPM and Superfund appropriations, the research work could be funded from both appropriations but public education cannot be funded from Superfund (because there is no authority in CERCLA to award grants for public education).